

## Message Text

UNCLASSIFIED

PAGE 01 MANAGU 02094 052259Z  
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W  
-----030346 061003Z /11  
R 052108Z MAY 78  
FM AMEMBASSY MANAGUA  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 6508

UNCLAS MANAGUA 2094

FOR MEPD

E.O. 11652: NA  
TAGS: BEXP, BENC, ETEL, NU  
SUBJECT: MAJOR PROJECTS: TELECOMMUNICATIONS

REF: (A) STATE 095645; (B) MANAGUA 2018 AND PREVIOUS

1. THIS IS THE SEVENTH IN A CONTINUING SERIES OF TELEGRAMS SUM-  
MARIZING MAJOR PROJECTS IN NICARAGUA, WHICH OFFER OPPORTUNITIES  
FOR U.S. FIRMS. EACH TELEGRAM FOCUSES ON ONE SECTOR OF THE ECONOMY.  
AT THE CONCLUSION OF THE SERIES, A COMPOSITE, TYPED REPORT WILL BE  
FORWARDED TO MEPD.

2. PROJECT I -- NATION-WIDE INCREASE IN TELEPHONE SERVICE

### A. DESCRIPTION

THE PROJECT INVOLVES THE EXPANSION OF TELEPHONE SERVICES IN ALL  
AREAS OF THE COUNTRY. OVER A FIFTEEN YEAR PERIOD, THE NUMBER OF IN-  
STALLED TELEPHONES IS PROJECTED TO INCREASE FROM THE PRESENT 50,000  
UNITS TO APPROXIMATELY 130,000. THE FIRST OF THE PROJECT'S THREE  
FIVE-YEAR PHASES IS SCHEDULED TO BEGIN IN 1979. (N.B. MOST OF THE  
EQUIPMENT PRESENTLY INSTALLED IN THE COUNTRY WAS MANUFACTURED BY  
SIEMENS.)

### B. PROJECT COST

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COST ESTIMATES HAVE BEEN MADE FOR SYSTEMS USING THREE DIFFERENT  
TYPES OF AVAILABLE EQUIPMENT. PER LINE COSTS FOR PHASE ONE VARY  
FROM \$1291 TO \$2000. CITED BELOW ARE PROJECTED COSTS BASED ON THE  
LEAST EXPENSIVE SYSTEM.

PHASE I, 1979-1983 -- US\$115 MILLION

PHASE II, 1984-88 -- US\$100 MILLION

PHASE III, 1989-93 -- US\$203 MILLION.

APPROXIMATELY THIRTY PERCENT OF THE PROJECT WILL BE FINANCED INTERNALLY. FINANCING FOR THE BALANCE HAS NOT AS YET BEEN ARRANGED.

C. FOREIGN PROCUREMENT

EXPECTED PURCHASE INCLUDE TELEPHONES, CENTRAL EXCHANGE EQUIPMENT, CABLES, AND TRANSMISSION EQUIPMENT.

D. TIME OF EXECUTION

FEASIBILITY PLANS ARE NOW BEING EXECUTED.

E. CONTACT

GENERAL HEBERTO SANCHEZ

DIRECTOR GENERAL DE TELECOMUNICACIONES Y CORREOS (TELCOR)

APARTADO POSTAL 232, MANAGUA, NICARAGUA

3. PROJECT II -- EXPANSION OF CENTRAL INTERNATIONAL TELEPHONE EXCHANGE

A. DESCRIPTION

THIS PROJECT INVOLVES THE EXPANSION OF THE CAPACITY OF THE CENTRAL INTERNATIONAL TELEPHONE EXCHANGE BEY BETWEEN 300 TO 400L LINES. THE PURCHASE OF A NEW STORAGE PROGRAM CENTER IS INCLUDED IN THE PROJECT.

B. PROJECT COST

APPROXIMATELY \$1 MILLION.

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C. FOREIGN PROCRUEMENT

TELEPHONE EXCHANGE EQUIPMENT.

D. TIME OF EXECUTION

EXECUTION AWAITS TERMINATION OF PRESENT EXPANSION SYSTEM IN WHICH JAPANESE EQUIPMENT IS BEING INSTALLED. EXECUTION OF THIS PROJECT IS SCHEDULED FOR 1981.

E. CONTACT:

GENERAL HEBERTO SANCHEZ

DIRECTOR GENERAL DE TELECOMUNICACIONES Y CORREOS (TELCOR)

APARTADO POSTAL 232, MANAGUA, NICARAGUA

4. FYI: REFTEL REQUESTED INFORMATION CONCERNING PROPOSED SATELLITE STATION TO BE LOCATED ON NICARAGUA'S ATLANTIC COAST. ALTHOUGH TELCOR'S

FORMER DIRECTOR HAD BEEN INTERESTED IN SUCH A STATION, THE PRESENT DIRECTOR, GENERAL HEBERTO SANCHEZ, HAS NOW DECIDED AGAINST THE SATELLITE STATION. SANCHEZ, WHO HAS BEEN IN THAT POSITION ONLY SIX MONTHS, IS PRESENTLY EVALUATING EXISTING PROJECTS AND MAKING DECISIONS ON THEM AND HAS NOT YET TURNED TO NEW PROJECTS. EMBASSY FEELS THAT IT WOULD BE WORTHWHILE TO EXPOSE HIM TO U.S.-MANUFACTURED

EQUIPMENT WHILE HE IS STILL CONSIDERING POSSIBLE EQUIPMENT PURCHASE  
ALTERNATES. END FYI.  
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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TELECOMMUNICATION, PROGRAMS (PROJECTS)  
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**Draft Date:** 05 may 1978  
**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Executive Order:** N/A  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014